

FISCAL NOTE
HB 856 - SB 1104

February 23, 2007

SUMMARY OF BILL: Reduces the occupational privilege tax (OPT) from \$400 to \$200 per year.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$32,100,000

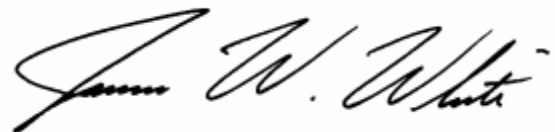
Increase State Expenditures - \$3,000 One-Time

Assumptions:

- Current OPT is \$400.
- According to the Department of Revenue (DOR), FY05-06 collections for OPT were approximately \$60,544,000.
- Number of taxpayers for FY05-06 is estimated to be 151,360 ($\$60,544,000 \div \$400 = 151,360$ individuals).
- Number of taxpayers grows 3% per year.
- Number of taxpayers for FY07-08 is estimated to be 160,500 ($[151,360 \times 103\%] \times 103\% = 160,578$)
- OPT collections for FY07-08 in absence of this bill are estimated to be \$64,200,000 (160,500 individuals \times \$400 = \$64,200,000).
- OPT collections for FY07-08 as a result of this bill are estimated to be \$32,100,000 (160,500 individuals \times \$200 = \$32,100,000).
- The recurring decrease to state revenues is estimated to be \$32,100,000 per year ($\$64,200,000 - \$32,100,000 = \$32,100,000$).
- The one-time increase to state expenditures for computer and software enhancements is estimated to be \$3,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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